

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

PRED – Providing Reconstruction & Resurfacing of 5515 number of BT roads having length of 16031.33 km with a cost of Rs.1742.89 crores in the 9 districts of the State - Permit to the Andhra Pradesh State Rural Roads Development Agency (APSRRDA) to negotiate with the Banks/ Financial Institutions to borrow loan for an amount of Rs.1500.00 crores –Orders – Issued.

PANCHAYAT RAJ & RURAL DEVELOPMENT (PROGS.I) DEPARTMENT

G.O.RT.No. 34

Dated: 11-01-2019
Read:

1. From the ENC, PR, Vijayawada, Letter No. BPR.II/MRR/2018-19, dt: 25.07.2018.
2. From the ENC, PR, Vijayawada, letter NO. AEE4/DEE2/ Mtc. Of BT Roads. Proposals/2018, dated: 24.12.2018.

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O R D E R:

In the references read above, the Engineer-in-Chief, Panchayat Raj, Andhra Pradesh, Vijayawada has stated that Rural Road Connectivity is a key component of Rural Development and regular maintenance of the roads would reduces the rate of deterioration; thereby safeguarding previous investments in construction. Inadequacy in maintenance funding and implementation on the ground, will result in the erosion of the asset base and lack of maintenance, creates huge extra burden on financial resources and on natural resources. The Ministry of Rural Development, GOI insisting for regular maintenance of all rural roads and especially roads constructed under PMGSY. The State Government have approved the "Andhra Pradesh Rural Roads Maintenance Policy" vide its G.O. Ms. No.37 Dt.30.06.2017 of PR&RD(Progs.II) Department and notified in the State Gazette on 21.07.2017. As per the Policy, the rural road maintenance is declared as an essential public service and the rural roads are to be maintained in a timely and systematic manner.

2. The Engineer-in-Chief, Panchayat Raj, Andhra Pradesh has stated that there are 32869 Panchayat Raj roads with total length of 79408 km as on 1st April'2018 and its replacement value is as follows.

Replacement Value of Rural Road Assets of PRED in Andhra Pradesh

(Broad Assessment* as of 1 April 2018)

Sl. No.	Broad category	Length in km	Unit Cost Rs. lakh/km	Amount (Rs. Crore)
1.	BT & CC roads (incl. CD works)	26911	60.00	16147
2.	WBM roads (incl. CD works)	9509	40.00	3804
3.	Gravel roads (incl. CD works)	20454	25.00	5113
4.	Earthen Roads (incl. CD works)	22534	15.00	3380
	Total	79408		28444

3. The Engineer-in-Chief, Panchayat Raj has stated that the type of maintenance required is assessed based on Pavement Condition Index (PCI) of the road. The Rehabilitation project includes initial rehabilitation of the existing BT roads and routine maintenance for 5 years. The Contractor has to take up the initial rehabilitation and to maintain the BT roads during the defect liability period i.e., for 5 years. The Contractor will be paid for both rehabilitation and routine maintenance. The initial rehabilitation covers the following items:

- i. Reconstruction of damaged BT roads i.e., providing BT surface along with WBM/ WMM layer (For Roads with Pavement Condition Index value 1 & 2).

- ii. BT renewals wherever BT surface is worn out (For Roads with Pavement Condition Index value 3).
- iii. Minor repairs such as BT patches to make the BT surface traffic worthy (For Roads with Pavement Condition Index value 4).

4. He has stated that, after rehabilitation and resurfacing of the roads having PCI value from 1 to 4 to bring all the roads to good riding surface having PCI value 5. Then routine maintenance will be taken up for existing roads with PCI value 5 under this project. The following items will be taken up under routine maintenance:

- i. Restoration of rain cuts and dressing of berms, Maintenance of earthen shoulders
- ii. Filling pot holes and patch repairs
- iii. Maintenance of drains, clearance of jungle
- iv. Maintenance of culverts and causeways

V. Maintenance of road furniture

5. The Engineer-in-Chief, Panchayat Raj has stated that accordingly, the proposals for Reconstruction and Rehabilitation of all BT roads in 13 districts of the State with 5 years maintenance are prepared depending on the condition of the road as follows:

Total BT Roads		Reconstruction		BT Renewals		Minor Repairs		Total Rehabilitation		Routine Mtc for 5 years		Total (Cr)
No.	BT Length in Km	PCI-1 & 2		PCI-3		PCI-4						
		Length (km)	Cost (Cr)	Length (km)	Cost (Cr)	Length (km)	Cost (Cr)	Length (km)	Cost (Cr)	Length (km)	Cost (Cr)	
7828	21768	4994	1527.55	8290	1114.69	517	16.68	13801	2658.92	21768	573.79	3232.71

6. He has stated that, out of the 13 districts proposals, 4 districts proposals were considered under following grants:

Sl No	Grant	Districts proposed	No of Roads	Total Length (km)	Cost for Rehabilitation (Cr)	Routine Mtc for 5 years (Cr)	Status
1	AIIB	Srikakulam	438	1340.71	129.74	23.34	Sanctioned vide GO Rt No.1304 dt.26.11.2018
2		West Godavari	566	1753.04	236.25	41.76	
3	Reconstruction of PR Roads grant 2018-19	Guntur	613	1604.51	284.29	46.73	Sanctioned vide GO Rt No.1295 dt.23.11.2018
4	PRED Road Assets Grant 2018-19	Krishna	696	1553.33	213.56	41.99	To be sanctioned
Total		4 districts	2313	6251.88	863.84	153.82	

7. The Engineer-in-Chief, Panchayat Raj has stated that the funds required for balance 9 districts are as follows:

S. No.	District	No.of Roads	Length (km)	Rehabilitation (Cr)	Routine Mtc. for 5 years
1	Ananthapuramu	791	3055.88	290.07	76.93
2	Chittoor	900	2140.57	191.48	53.32
3	East Godavari	768	1833.80	263.34	48.45
4	Kurnool	503	1681.93	189.95	54.61
5	Prakasam	478	1602.71	194.72	41.89
6	SPSR Nellore	530	1525.72	187.68	38.61

7	Visakhapatnam	643	1860.86	155.70	45.09
8	Vizianagaram	474	1314.05	165.32	32.92
9	YSR Kadapa	428	1015.81	104.63	27.58
	Total	5515	16031.33	1742.89	419.40

8. The Engineer-in-Chief, Panchayat Raj has proposed to take up the Reconstruction & Resurfacing of existing BT roads with 5 years maintenance of BT roads project in the above nine (9) districts through Andhra Pradesh State Rural Roads Development Agency (APSRRDA), and APSRRDA approached Andhra Bank, Vijayawada for Project finance support of Rs.1500 Crores with following terms and conditions:

Proposal Loan	:	Rs.1500.00 Cr.
Rate of interest	:	To be negotiated with Bank
Moratorium period	:	2 years
Repayment of loan	:	From the Revenue generated after completion of the Project.
Security	:	Govt. of Andhra Pradesh
Repayment period	:	20 years (Starts after moratorium period)

9. He has stated that for repayment of loan, it is proposed to generate the revenue by allowing the Advertizing Agencies to provide Advertisement Boards along the roads at the locations of Grama Panchayats with population above 500. The advertisements regarding Agriculture based industries, Agricultural products, Fertilizers, Horticulture, e-commerce etc would be allowed. These advertisements benefit both farmers and respective industries, and hence it would become definite source of income. The Advertizing Agencies will also be consulted for any other type of advertisements. Rate per Advertisement Board will be finalized depending on the population of Grama Panchayat and demand. It is also proposed to generate revenue from Market Cess.

10. The Engineer-in-Chief, Panchayat Raj has therefore proposed to take up the Reconstruction & Resurfacing of BT roads project in 9 districts with following funding pattern.

Total amount required for Rehabilitation of Damaged Roads	:Rs.1742.89 Cr.
From Bank Loan	:Rs.1500 Cr.
From State Budget FY 2019-20	:Rs.242.89 Cr.
Total amount required for Routine Maintenance for 5 years	:Rs.419.40 Cr.
From State Budget FY 2019-20 to 2023-24	:Rs.419.40 Cr.

11. Year wise requirement of routine maintenance funds is as follows:

Year	2019-20	2020-21	2021-22	2022-23	2023-24	Total for 5 years
Funds required (Rs.in Cr.)	42.33	63.19	86.91	105.16	121.81	419.40

12. The Engineer-in-Chief, Panchayat Raj has requested the Government to accept the proposal and to take necessary steps on the following:

- to permit APSRRDA to borrow an amount of Rs.1500.00 Cr from Andhra Bank, Vijayawada; and in this issue, the State Government will act as Guarantor ;
- meeting the remaining amount of Rs.242.89 cr from the State Budget FY 2019-20; and
- Routine Maintenance of above roads for 5 years (2019-24) with an amount of Rs.419.40 crores by meeting the expenditure from the State Budget MRR Grant from BE 2019-20 to 2023-24.

13. Government, after careful examination of the matter, hereby permit the Andhra Pradesh State Rural Roads Development Agency (APSRRDA) to negotiate with the Banks/ Financial Institutions to borrow loan for an amount of Rs.1500.00 crores, in the first instance.

15. The Engineer-in-Chief, Panchayat Raj, Andhra Pradesh, Vijayawada shall take necessary action accordingly.

16. This order issues with the concurrence of the Finance (FMU-PR&RD, RWS) Department vide their U.O.No. 46027/105/FMU.PR&RD,RWS/2018, Dt.26.12.2018.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

Dr.K.S.JAWAHAR REDDY
PRINCIPAL SECRETARY TO GOVERNMENT

To
The Engineer-in-Chief, Panchayat Raj, A.P.Vijayawada.
Copy to:
The OSD to M(PR&RD)
The PS to Prl.Secy to PR&RD.
The Finance (FMU-PR&RD) Department.
SCs/SFs.

//FORWARDED BY ORDER//

SECTION OFFICER